

Is your employer doing well by doing good? How to assess your company's commitment to making a profit with purpose in mind

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Byline: Stephen Baldwin, Contributor

Body

Barack Obama spoke with frustration in November at one of the world's largest tech conferences, Dreamforce, about an opportunity that most businesses seemed to be misunderstanding: diversity.

"Diversity is not charity. It is not something you do to be nice," Obama said in a keynote interview with Salesforce CEO Marc Benioff. "If you're running a business right now and you've got no African-American or Latino or Asian-American people, if you don't have diversity around that table, you are missing a market. You are misunderstanding how your message is being received."

He had a similar message about having women in leadership roles, saying it's been proven that "organizations that have a bunch of women on their boards do better. They make more money, they get in less trouble, they're more successful."

The comments were met with roaring applause at the 170,000-attendee conference in San Francisco, in which aligning business impact with the United Nations' 17 Sustainable Development Goals (SDGs) for 2030, including gender equality, was a ubiquitous theme.

The goals, agreed upon by the United Nations General Assembly (the only UN branch in which each of the 193 member nations has equal representation) in 2015, have become a call to action for organizations in the public, private, and non-profit sectors.

In the private sector, the response to such an appeal has typically been one-off donations or nationwide fundraising campaigns. But with just a decade to go until the 2030 deadline, that won't be enough to move the dial. Companies will need to change their DNA, and socially conscious employees, customers, and job seekers now have benchmarks they can use to measure that change.

In a Dreamforce session titled "The \$12 trillion opportunity behind the SDGs," film director Richard Curtis, actress Robin Wright, and UN Women Executive Director Phumzile Mlambo-Ngcuka appealed to the audience to hold their employers responsible for promoting initiatives that serve - and ending initiatives that conflict with - the UN's sustainable development goals.

"The consumer is now starting to understand how fundamentally businesses are the shape of the world," Curtis said. "So suddenly my children are thinking about what clothes they buy, and what affect the clothes have on society. They're starting to think about the food they eat, and where that food came from."

"We are shifting now to a time of, as it were, responsible social corporations," he added. "And that's what we're really asking of everybody here, because you have an ability to pursue profit and success, but at the same time genuinely and fundamentally be part of an absolutely transformative generation."

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Curtis drew attention to company RRSP funds and pension plans that have employees unknowingly invested in companies whose products harm people or the environment.

A report from Corporate Knights revealed in 2015 that the Canadian Pension Plan, Ontario Teachers' Pension Plan, and OMERS - among the world's largest pension plans - not only have a significant percentage of their funds invested in coal, oil and gas companies, but that they also lost out on more than \$7 billion collectively because of those fossil fuel investments. The CPP, and several other major Canadian investment firms, also have holdings in the U.S. gun industry.

Aside from exploring group savings plans, there are several questions you can ask a company to gauge its commitment to making a profit with purpose in mind.

Are they paying employees of different genders and ethnicities who are doing the same job equally? Are they partnering with unethical organizations? Are they harming the environment through wasteful energy use or pollution? Do their philanthropic activities have a thoughtful long-term goal, or are they temporary and self-serving? Do they seek to monopolize or see the value in healthy partnerships?

But the biggest question is whether there is an effort being made to align core business goals with sustainable development goals. These efforts are already being made in Canada's biggest companies.

Toronto's financial behemoths, for example, have launched funds focused on socially responsible investing (SRI) that are both ethical and profitable.

RBC and Mackenzie Investments have an ETF and mutual fund, respectively, focused on companies that promote gender diversity among senior leadership. Manulife Investment Management launched a conscious investing platform called COIN in March that allows its partners and customers to invest based on values, such as a desire for more climate action or gender equality.

TD Bank grouped the sustainable development goals it's targeting by overarching goals, such as "financial security" and "vibrant planet." Their effort in 2018 for reducing poverty included financial literacy initiatives that reached hundreds of thousands of people across North America and the restructuring of \$78 million in loans that eased payments for thousands of Canadian customers facing financial hardship.

"We are looking at how we can align our business, philanthropy, and colleagues to maximize the impact that we can have in driving positive, measurable change for the communities and people we serve," said Rachel Guthrie, head of ESG reporting and impact measurement at TD. "We are creating and supporting opportunities for employees to engage in communities across North America, ultimately contributing to the broader global impact narrative of the SDGs."

Other examples of companies aligning their core businesses with the sustainable development goals include Lululemon, which contributes to the UN's "responsible consumption and production" goal through sustainable packaging, BlackBerry, which targeted the "industry, innovation and infrastructure" goal through making its secure internet of things technology compatible with any operating system in any country, and Telus, which runs a Health for Good program that funds mobile health clinics in marginalized Canadian communities.

"The core to the SDGs is accountability, where responsibility is shared between leaders and employees," said Chandran Fernando, managing partner of Toronto-based company Matrix360 and member of Global Compact Network Canada's advisory council. "When you are clear and transparent with your business mission you will attract and retain employees and partners who are aligned to the sustainability of business."

This refocusing isn't limited to the private sector. Public and non-profit sector leaders in government, health, and education, incentivized by Canadian and international funding and partnership opportunities, are also being forced to examine how their work aligns with the 2030 goals.

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This isn't to endorse every company, non-profit, or government body that is actively promoting its sustainable development goal focus. After all, a company publicly targeting four or five SDGs could privately be in direct conflict with six or seven of them.

Also, while these goals provide a more objective framework with which to judge your employer's social and environmental impact, the prioritization of SDGs can be deeply personal.

A young woman who believes the fate of the world rests in quality education may be able to live with the fact that her company's leadership team is composed exclusively of older men, as long as the company supports her goal. Someone who grew up in a community with limited access to clean water might turn down an offer from a socially responsible company if they've been linked to a contamination scandal.

But again, the most significant indicator that a company is set on doing well by doing good isn't the specific SDG it's aiming at, it's the genuine stated belief by leadership that committing to the goals isn't just socially responsible, it's good business. That belief, and the actions that follow, can attract a sustainable stream of investors, partners, customers, and, perhaps most importantly, talent - especially when it comes to millennials.

Regardless of where your employer or potential employer is in this transformation, the burden is on each of us in 2020 to ask these questions and, if necessary, initiate the change ourselves.

Stephen Baldwin is a freelance technology and business writer and a product manager at Imagine Canada. The opinions expressed here are his own.

The UN's 17 sustainable development goals

The goals below, agreed upon by all UN member states in 2015, are intended to provide a blueprint for global prosperity in 2030. There are specific targets associated with each goal.

No poverty

Zero hunger

Good health and well-being

Quality education

Gender equality

Clean water and sanitation

Affordable and clean energy

Decent work and economic growth

Industry, innovation, and infrastructure

Reducing inequality

Sustainable cities and communities

Responsible consumption and production

Climate action

Life below water

Life on land

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Peace, justice, and strong institutions

Partnerships for the goals

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